
DIGEST

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Guillory

SB No. 6

Present law creates the Teachers' Retirement System of La. and the La. School Employees' Retirement System as separate state retirement systems.

Proposed law merges the administration of the two systems. The new combined system will retain the name "Teachers' Retirement System of La."

Proposed law treats each former system as a separate plan within the new combined system. All present law applicable to each system shall remain in place, with the exception of provisions relative to the governance of the system. Proposed law abolishes the LSERS board and transfers all property, obligations, employees, and rights of the LSERS system to the TRSL system. Proposed law further provides that the board of trustees for the TRSL system shall govern both plans within the system.

Present law relative to the La. School Employees' Retirement System (LSERS) provides that if an employer eliminates employees or positions through privatizing, outsourcing, contracting for the covered service with a private employer, or any other means, the employer must remit to LSERS the portion of the unfunded accrued liability (UAL) existing on June 30th immediately prior to the date of termination attributable to any employee or position being terminated.

Present law further provides for calculation of the amount due to the retirement system and penalties for failure to timely pay amounts owed under present law.

Proposed law retains present law but makes it applicable only to the La. School Employees' Retirement Plan within the proposed Teachers' Retirement System.

Proposed law further requires each school system to report on all employees and positions which have been privatized, outsourced, or otherwise eliminated pursuant to present law to the La. School Employees' Retirement Plan by October 15 of each year. Provides for forms for submission of the reports and provides for audits to ensure compliance.

Proposed law provides that upon the effective date of proposed law, 4 members representing the School Employees' Plan shall be added to the TRSL board. Such members shall be elected from geographic districts identical to those in present law for the elected LSERS board members. Further provides that on the effective date of the Act, the elected members serving on the LSERS board shall become the 4 elected members added to the TRSL board and shall serve the remainder of their terms.

Proposed law provides that the TRSL board shall eliminate a total of 30 positions within 18 months after the effective date of the Act. Requires that 15 positions be eliminated within the first nine months and the second 15 positions eliminated within 18 months after the Act becomes effective.

Provides that the TRSL board, as provided in proposed law, shall complete the transitions required by proposed law within one year after the Act becomes effective. Further requires the board prepare a report on consolidation of the plans and their experience accounts within one calendar year. Requires that the board present such report to the Public Retirement Systems' Actuarial Committee (PRSAC) by June 28, 2013, and include an estimate of savings attributable to the consolidation. PRSAC must evaluate the report and issue a recommendation to the legislature by December 31, 2013.

Further provides that the PRSAC shall meet as soon as possible after the effective date of the Act to revise valuations for the plans. Further authorizes PRSAC to adopt a valuation prepared on behalf of the division of administration by a qualified actuary.

Provides for expedited hearing in the courts if any part of the Act is challenged.

Effective midnight June 30, 2012.

(Amends R.S. 11:22(B)(13), 42(B)(11), 62(11), 102(B)(1) and (3)(d)(vi) and (vii), 141, 142(F)(3), 151(B), 162(A), 182(A)(1), 204, 251, 701(intro. para.), (6), (7), (9), (15), (17), (18), (19), (23), (27), (29), (31), (33)(a)(v)(bb) and (cc) and (viii)(bb) and (cc), (b)(iii), and (d), 702(A), 710(A), (B)(1)(a) and (2), (C)(1), and (D), 721.1(A) and (B), 723(A), 728(A)(intro. para.), (B)(1)(a)(intro. para.), (C)(1)(a) and (b)(ii) and (iii) and (2)(a), (E), and (F)(1) and (3), 733, 734, 738(A) and (B), 752(A), (B), and (E), 753, 755, 761(B), 762(A), (C), and (G), 765(A) and (B)(1), 768(D)(2) and (3), 780(C)(3)(a)(intro. para.) and (E), 780.1, 781(A)(1) and (3)(b) and (B), 783(A)(3)(a), (D)(1)(b)(iii) and (2), (E), (F), (G)(1)(b)(iii), (I)(1)(b)(iii), and (K)(2), 784(F) and (G), 784.1(A)(1)(intro. para.), (B)(2)(b), (C), (D), and (E), 786(A) and (D), 788(A) and (C)(intro. para.) and (3), 811(A), (B), and (C), 813, 826, 829, 832, 833, 834, 836, 851, 871, 872, 875(intro. para.), (1), (4)(b) and (c), and (5), 881(intro. para.), (4), and (8), 883.1(A), (B), (C)(1)(intro. para.) and (4)(c)(i), and (G), 885(2) and (4), 888, 896, 921(A)(intro. para.), 925 through 928, 929(A), (C), (E), and (F), 942.1(A), 942.4, 942.5, 942.7(A), 942.8(A), 942.9, 945, 946(A) through (D), 947(A), (C), and (D), 1001(A) and (B), 1002(intro. para.), (6)(a) and (b), (7), (8), (9), (12), (13), (15) through (19), (22), (24), (26), and (27), 1004(A) and (C), 1006(A)(1), (B), (C), and (D), 1007(A), (B), (C)(1), and (F), 1111, 1112, 1114, 1118, 1119, 1120, 1133, 1137, 1138, 1139, 1141(B) and (C)(1)(b) and (2), 1144(B)(3) and (C), 1145.1(A)(1), (B)(1), (C)(1)(intro. para.) and (4)(c), and (D), 1147(B)(3) and (C)(2)(a)(i) and (ii), 1149, 1151.1(A), (C)(1), (E), and (J), 1152(E), (F), (J)(3) and (4), and (L), 1172, 1181, 1193(A)(1)(b), (2)(a), and (4) and (B)(3), 1195.1, 1195.2, 1202(A)(2) and (4) and (C); Adds R.S. 11:331, 701(22.1), 822(A)(10), 883.1.1(F), 1002(21.1); Repeals R.S. 11:4(A)(1)(c), 22(B)(5), 42(B)(4), 62(4), 154(A)(3), 158(B)(6), 173(A)(3), 174(B)(3), 181(A)(3), 185(A)(3), 234(A)(5), 262(5), 272(A)(3), 281(A)(2), 312(A)(5), 323(A)(1), 730, 831, 1001(C), 1162 through 1165, 1166 through 1171, and 1173)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the engrossed bill.

1. Adds provisions consolidating the Teachers' Retirement System of La. with the La. School Employees' Retirement System.
2. Makes necessary technical changes.